



FILED

06-12-09

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ATTACHMENT B

A0906011

Pro Forma Parental Guaranty

GUARANTY

WHEREAS, Lodi Gas Storage, L.L.C. (“LGS”) is a public utility, subject to regulation by the California Public Utilities Commission (“CPUC”) and authorized to construct and operate a natural gas storage facility located in Lodi, CA, by CPUC Decision (D.) 00-05-048;

WHEREAS, the CPUC imposed a condition on LGS in D.00-05-048, as modified in D.04-05-034, to provide a surety or performance bond in the amount of \$10 million, adjusted annually for inflation from the May 18, 2000 issuance date of D.00-05-048;

WHEREAS, Buckeye Gas Storage LLC (“Buckeye Gas Storage”), a wholly-owned subsidiary of Buckeye Partners, L.P. (“Buckeye Partners”), was authorized by the CPUC to obtain control and ownership of LGS in D.08-01-018, issued January 11, 2008; and

WHEREAS, LGS filed a Petition for Modification of D.00-05-048 on June 9, 2009, which requested that the CPUC accept a parental guaranty from Buckeye Partners in the same amount and for the same purposes as the required bond, and the CPUC granted such Petition for Modification in D.09-__-__, issued on ____, 2009.

THEREFORE, in compliance with D.09-__-__ Buckeye Partners unconditionally guarantees payment to the State of California (“State”), acting by and through the CPUC, such part of the amount of \$10 million, adjusted annually for inflation from May 18, 2000, as needed to fulfill the full performance by LGS of its obligations under its Certificate of Public Convenience and Necessity issued in D. 00-05-048, dated May 18, 2000..

The rights afforded the State under this Guaranty are personal and not transferable by the State.

This Guaranty shall be construed under and governed by the laws of the State of California.

Buckeye Partners represents and warrants that this Guaranty is a legal, valid and binding obligation of Buckeye Partners, enforceable against Buckeye Partners, in accordance with its terms except as limited by bankruptcy or other laws of general application.

Buckeye Partners agrees that the giving of any other forbearance on the part of the State or LGS, to the other, shall not in any way release Buckeye Partners its successors or assigns from any liability arising hereunder.

IN WITNESS WHEREOF, the said _____ has caused this instrument to be signed by its duly authorized office and its corporate seal to be hereunto affixed and attested by its Secretary, this ____ day of _____, 2009.

(SEAL)

By: _____

ATTEST: _____
Secretary

STATE OF TEXAS)
)
COUNTY OF HARRIS) ss.

On _____, 2009, before me, _____, Notary Public,
personally appeared _____, personally known to me to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

Witness my hand and official seal.

Notary Public

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